

Introduced by Senator Pavley

February 26, 2009

An act to amend Section 2079.10 of the Civil Code, and to add Chapter 10.9 (commencing with Section 25945) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 488, as introduced, Pavley. Energy: energy efficiency financing.

(1) Existing law requires the State Energy Resources Conservation and Development Commission to establish criteria for adopting a statewide home energy rating program for residential dwellings. Existing law establishes the Renewable Energy Resources Program that is administered by the commission to address global warming and climate change by increasing the amount of electricity generated from eligible renewable resources. Existing law establishes various grant, loan, and loan guarantee programs to assist specified entities in implementing energy conservation and efficiency measures.

This bill would require the commission, by July 1, 2010, in consultation with specified entities, to establish an ongoing procedure to develop an energy efficiency financing program to allow residential, commercial, industrial, and municipal participants to finance energy efficiency improvements funded through cost avoidance of the energy saved by the implemented measure. The commission would be required, beginning July 1, 2011, and annually thereafter, to submit to the Legislature a report on the progress of the program.

(2) Existing law provides that if an informational booklet concerning home energy rating is delivered to a transferee of a real property, the seller or broker is not required to provide information that is additional to that contained in the booklet.

This bill would provide that a seller or broker is not required to provide additional information regarding home energy efficiency if the transferee of a real property has received, as an alternative, any other information regarding energy efficiency produced by a utility provider or a public agency.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2079.10 of the Civil Code is amended
2 to read:
3 2079.10. (a) If the informational booklet published pursuant
4 to Section 25402.9 of the Public Resources Code, concerning the
5 statewide home energy rating program adopted pursuant to Section
6 25942 of the Public Resources Code, *or any other information*
7 *regarding energy efficiency produced by a utility provider or public*
8 *agency*, is delivered to a transferee in connection with the transfer
9 of real property, including, but not limited to, property specified
10 in Section 1102, manufactured homes as defined in Section 18007
11 of the Health and Safety Code, and property subject to Chapter
12 7.5 (commencing with Section 2621) of Division 2 of the Public
13 Resources Code, the seller or broker is not required to provide
14 ~~additional information additional to that contained in the booklet~~
15 concerning home energy ratings, efficiency, and the information
16 in the booklet *or produced by a utility provider or public agency*
17 shall be deemed to be adequate to inform the transferee about the
18 ~~existence of a statewide home energy rating program.~~ *efficiency*
19 *improvement and conservation programs.*
20 (b) Notwithstanding subdivision (a), ~~nothing in this section~~
21 ~~alters~~ *does not alter* any existing duty of the seller or broker under
22 any other law including, but not limited to, the duties of a seller
23 or broker under this article, Article 1.5 (commencing with Section
24 1102) of Chapter 2 of Title 4 of Part 4 of Division 2 of the Civil
25 Code, or Chapter 7.5 (commencing with Section 2621) of Division
26 2 of the Public Resources Code, to disclose information concerning
27 the existence of a home energy rating program affecting the real
28 property.
29 (c) If the informational booklet or materials described in Section
30 375.5 of the Water Code concerning water conservation and water

1 conservation programs are delivered to a transferee in connection
2 with the transfer of real property, including property described in
3 subdivision (a), the seller or broker is not required to provide
4 information concerning water conservation and water conservation
5 programs that is additional to that contained in the booklet or
6 materials, and the information in the booklet or materials shall be
7 deemed to be adequate to inform the transferee about water
8 conservation and water conservation programs.

9 SEC. 2. Chapter 10.9 (commencing with Section 25945) is
10 added to Division 15 of the Public Resources Code, to read:

11
12 CHAPTER 10.9. ENERGY EFFICIENCY FINANCING PROGRAM
13

14 25945. The Legislature finds and declares all of the following:

15 (a) The Global Warming Solutions Act of 2006 (Division 25.5
16 (commencing with Section 38500) of the Health and Safety Code)
17 requires the State Air Resources Board to design emissions
18 reduction measures in a manner that minimizes costs and
19 maximizes benefits for California's economy, maximizes additional
20 environmental and economic cobenefits for California, and
21 complements the state's efforts to improve air quality.

22 (b) To achieve the goals of the Global Warming Solutions Act
23 of 2006, every sector must explore opportunities to reduce energy
24 consumption and related greenhouse gas emissions.

25 (c) There exist significant opportunities for cost-effective energy
26 efficiency improvements in all types of existing structures,
27 including residential, commercial, industrial, and municipal.

28 (d) California needs a systematic approach to providing every
29 utility-using structure in the state with an energy audit and
30 opportunity to increase energy efficiency by 2020, to meet the
31 goals of the Global Warming Solutions Act of 2006.

32 (e) Utilities are the most logical industry through which a
33 comprehensive audit and improvement program should be
34 promulgated.

35 (f) Removing market barriers such as upfront costs and allowing
36 utility-administered funding for energy efficiency improvement
37 financing programs will eliminate key barriers that keep building
38 owners, renters, lessees, and municipalities from making the energy
39 efficiency improvements necessary to meet these goals.

25945.5. (a) On or before July 1, 2010, the commission shall establish an ongoing procedure to develop an energy efficiency financing program that will allow residential, commercial, industrial, and municipal participants to finance energy efficiency improvements funded through cost avoidance of the energy saved by the implemented measure. The financing shall be fixed to the meter location to ensure that the beneficiary of the improvement repay the cost, regardless of ownership or occupancy.

(b) In determining the elements of the energy efficiency financing program, the commission shall consider all of the following:

(1) The need for expanding existing energy audit programs to provide appropriate baseline energy information for each meter. Program expansion may include any of the following:

(A) Expanding existing public goods charge programs.

(B) Utilizing appropriate federal energy efficiency grants and programs.

(C) Authorizing other sources of program funding.

(2) The appropriate energy efficient measures that provide energy savings offsetting the cost of the measure within its useful life, may include all of the following:

(A) Lighting, heating, cooling, and other energy efficient equipment.

(B) Weatherization.

(C) Distributed generation systems.

(D) Water-saving features and devices.

(3) Utility billing system requirements.

(4) Appropriate monthly charges for each specified measure, including consideration of the availability of applicable government run and nongovernmental assistance and loan programs as well as rebates.

(5) Appropriate program charges.

(6) The expected value of establishing this program, including all of the following:

(A) Reductions in greenhouse gas emissions.

(B) Reductions in annual and peak energy demands.

(C) Reduction in customer utility bills.

(7) The appropriate methods for informing and educating the public as to the new program.

(8) Appropriate disclosures and notifications.

1 (9) Any other considerations deemed appropriate by the Public
2 Utilities Commission.

3 (c) Prior to adopting an energy efficiency financing program,
4 the commission shall do both of the following:

5 (1) Consult with representatives from the Contractors State
6 Licensing Board, the Department of Real Estate, the Department
7 of Housing and Community Development, the Public Utilities
8 Commission, investor-owned utilities, publicly owned utilities,
9 cities and counties, real estate licensees, home builders, mortgage
10 lenders, home appraisers and inspectors, energy efficient product
11 vendors, home energy rating organizations, consumer groups,
12 environmental and environmental justice groups.

13 (2) Hold at least three public hearings in geographically diverse
14 locations throughout the state.

15 (d) Beginning July 1, 2011, and annually thereafter, the
16 commission shall submit a report to the Legislature detailing the
17 progress of the program, the number of metered users that took
18 advantage of the financing program, the amount of energy savings
19 resulting from the implemented measures, and an estimate of the
20 greenhouse gas reduction resulting from the program. The report
21 may also contain recommendations for expanding or otherwise
22 improving the program.